

REMARKS/ARGUMENTS

Applicant has carefully reviewed and considered the Office Action mailed on October 23, 2003, and the references cited therewith.

None of the original claims are amended or cancelled. Claim 26 is new. Applicant respectfully submits that claim 26 does not introduce new matter and is fully supported by the specification. In addition, Applicant submits that claim 26 was added to further illustrate a method in which, besides other things, the second death benefit component is calculated based on a loan to finance a payment of premiums due on the insurance policy. This second death benefit, payable to the party making the loan, is separate and distinct from the first death benefit, which is payable to the beneficiary of the insurance policy. As a result, the entire insurance policy does not cost the insured any money.

Applicant thanks the Examiner for discussing the present Office Action during a telephone conversation on January 14, 2004. During that telephone conversation, the Examiner indicated a willingness to contact the Applicant's representative to more fully discuss the pending application and the response to the present Office Action once a response to the present Office Action was received. As such, the Examiner is respectfully invited to telephone the Applicant's representative at 612-659-9340 x1 once the response to the response to the present Office Action has been received and considered by the Examiner.

Applicant respectfully submits that claims 1-26 of the application contain allowable subject matter fully supported by the specification.

§103 Rejection of the Claims

Claims 1-10

Claims 1-10 were rejected under 35 USC § 103(a) as being unpatentable over Roberts, et al. (U.S. Patent No. 4,839,804) in view of Tyler, et al. (5,523,942). Applicant respectfully traverses the rejection of claims 1-10.

In the rejection of independent claim 1, the Examiner cites both Roberts and Tyler, stating that Roberts describes calculation of a first death benefit value and that Tyler describes calculating the second death benefit value based on a loan value added to an interest formula value.

Roberts appears to describe a data processing system that implements an insurance program to protect an individual from the risk that a person who intends to purchase floating rate zero coupon notes for the individual dies before funding the purchase fully (see Col. 3, lines 56-65). Tyler appears to describe calculating a total policy death benefit based on outstanding "loans against policy values". (See Tyler, column 38, line 25). However, neither Tyler nor Roberts describe a method of calculating two separate and distinguishable death benefits based on the first death benefit value (i.e. beneficiary award) and second death benefit value (i.e. an initial loan to finance policy premiums) within one financial product.

In contrast, the Applicant's independent claims describe a method of calculating the total death benefit based on a first death benefit value (i.e. beneficiary award) and a second death benefit value (i.e. an initial loan to finance policy premiums). By way of example and not by way of limitation, Applicant's independent claim 1, as originally filed, describes calculating the total death benefit based upon the beneficiary award as the first death benefit value and the initial loan amount to finance policy premiums as a second death benefit value. Support for this claim language is found in the Applicant's specification, as originally filed, which recites;

...the insurance company, finance or credit facility loans the policy purchaser; or to the finance company on behalf of the purchaser, the cost of the premium and additionally amounts to cover interest accrued on the premium loans. The amount of the annual

loans of premiums plus interest become a first component of the total death benefit value at the time of the insured's death. (See Spec. page 13, lines 7-11).

The Applicant's originally filed specification further recites;

. . . the loan to the insured is added as one, or a first, component of the total death benefit value. The other component to the total death benefit value is the value of the policy. At the time of the insured's death the first component is used to repay the loan to the insurance company. The value of the policy is paid to the beneficiary and the proceeds are thus free to be used as desired Based on the difference of the cost of the loan to the insurance company and the increased rate at which the insurance company funded the loan to the insured, the insurance company realizes a profit. Meanwhile, the entire process has not come to any cost to the insured. (See Spec. page 13, lines 24-33).

In contrast, both Tyler and Roberts describe methods that cost the insured money. For example, in Tyler a loan is taken "against policy values". So, an unpaid loan would reduce the total monetary benefit to the beneficiary upon the death of the insured. In Roberts, the insured pays money for the premiums on the policy. In contrast, the entire process for the present invention does not come to any cost to the insured.

Accordingly, Tyler does not contain each and every element and limitation of Applicant's independent claim 1, as originally filed. Additionally, the Roberts reference does cure the deficiencies of the Tyler reference. As such, the Applicant believes that independent claim 1, as well as those which depend therefrom, are in condition for allowance. Applicant respectfully requests consideration of the same upon review of this response.

Claims 11-25

Claims 11-25 were rejected under 35 USC § 103(a) as being unpatentable over Meyer, et al. (U.S. Patent No. 6,330,541) in view of Tyler, et al. (5,523,942). Applicant respectfully traverses the rejection of claims 11-25.

In the rejection of independent claims 11 and 20, the Examiner cites both Meyer and Tyler, stating that Meyer describes calculation of a first death benefit

value and Tyler describes calculating the second death benefit value based on a loan value added to an interest formula value.

Meyer appears to describe a calculation of policy cash values (i.e. first, second and third) for predetermined points in time for management of the policy's death benefit. (See Meyer, column 2, lines 20-65). Tyler appears to describe calculating a total policy death benefit based on outstanding "loans against policy values". (See Tyler, column 38, line 25). However, neither Tyler nor Meyer describe a method of calculating two separate and distinguishable death benefits based on the first death benefit value (i.e. beneficiary award) and second death benefit value (i.e. an initial loan to finance policy premiums) within one financial product.

In contrast, the Applicant's independent claims describe a method of calculating the total death benefit based on a first death benefit value (i.e. beneficiary award) and a second death benefit value (i.e. an initial loan to finance policy premiums). By way of example and not by way of limitation, Applicant's independent claims 11 and 20, as originally filed, describe calculating the total death benefit based upon the beneficiary award as the first death benefit value and the initial loan amount to finance policy premiums as a second death benefit value. Support for this claim language is found in the Applicant's specification, as originally filed, which recites;

...the insurance company, finance or credit facility loans the policy purchaser, or to the finance company on behalf of the purchaser, the cost of the premium and additionally amounts to cover interest accrued on the premium loans. The amount of the annual loans of premiums plus interest become a first component of the total death benefit value at the time of the insured's death. (See Spec. page 13, lines 7-11).

The Applicant's originally filed specification further recites;

... the loan to the insured is added as one, or a first, component of the total death benefit value. The other component to the total death benefit value is the value of the policy. At the time of the insured's death the first component is used to repay the loan to the insurance company. The value of the policy is paid to the

beneficiary and the proceeds are thus free to be used as desired
Based on the difference of the cost of the loan to the insurance company and the increased rate at which the insurance company funded the loan to the insured, the insurance company realizes a profit. Meanwhile, the entire process has not come to any cost to the insured. (See Spec. page 13, lines 24-33).

In contrast, both Tyler and Meyer describe methods that cost the insured money. For example, in Tyler a loan is taken "against policy values". So, an unpaid loan would reduce the total monetary benefit to the beneficiary upon the death of the insured. In Meyer, the insured pays money for the premiums on the policy. In contrast, the entire process for the present invention does not come to any cost to the insured.

Accordingly, Tyler does not contain each and every element and limitation of Applicant's independent claims 11 and 20, as originally filed. Additionally, the Meyer reference does cure the deficiencies of the Tyler reference. As such, the Applicant believes that independent claims 11 and 20, as well as those which depend therefrom, are in condition for allowance. Applicant respectfully requests consideration of the same upon review of this response.

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney at (612) 659-9340 to facilitate prosecution of this matter.

CERTIFICATE UNDER 37 CFR §1.8: The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: Commissioner of Patents, P.O. BOX 1450, Alexandria, VA 22313-1450 on this 23rd day of January, 2003.

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